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SUBJECT: Nigeria: Abia Commissioner of Finance Describes Progress on State Fiscal Responsibility and Education

Sensitive But Unclassified; Handle Accordingly

¶1. (U) Summary: In an October 9 visit to the ConGen Lagos, Abia Commissioner of Finance, Max Adindu said that the state had increased revenue by 27 percent, in part because of an innovative program that utilizes the market unions as tax collectors. Abia has equipped 120 high school laboratories and employed 150 science teachers to improve science teaching in the state, and is seeking U.S. sources for the purchase of Braille and other equipment for educating the disabled. The Geometric independent power project (IPP) in Aba will begin operation in December, and help revive industry in the state. The state remains committed to stamping out piracy at the Aba market. Abia has constituted a state security force to complement the National Police Force. End summary.

¶2. (U) On October 9, Dr. Max Adindu, Commissioner for Finance, Abia State, South-East Nigeria, met with Consul General Donna Blair and PolOffs, to discuss economic developments in his state. Adindu, who was previously Commissioner of Education, said he had run against the current governor in the 2007 election and lost, but when offered a job by the Governor, decided to accept in the interest of the state. The partnership has resulted in better education and increased revenues for the state, he said. (Note: Abia, located in the south-east geopolitical zone, is an oil producing state which earns over naira 400 million (USD 3.4 million) in monthly derivation revenue, in addition to an average naira 2.1 billion (USD 17.7 million) federally allocated revenue that accrues to the state monthly. End Note)

Fiscal Responsibility Legislation on Second Reading

¶3. (U) Abia State Assembly is already far along in its consideration of fiscal responsibility and government procurement legislation. The bills are already up for the second reading, Adindu said, and he expects that the legislation will be passed in the next several weeks.

Education: Schools Retooled For Science Education

¶4. (U) Adindu said his first action as Commissioner of Education was to close down over 400 illegal and unapproved schools that had been

set up by unqualified persons. Such schools, both private and public, were later rehabilitated and approved after qualified teachers were engaged. The state also retooled 120 high schools laboratories by procuring micro-science kits through a federal government program facilitated by a consortium called SkillG, for studies in physics, chemistry, biology and introductory technology. He said Abia state used its portion of the federal Education Tax Fund (ETF) to employ and train teachers, particularly science teachers, because the ratio had fallen to 2 science teachers to 1,000 children in some schools. Over 150 science teachers were recently employed by the state.

Internally Generated Revenue, Youth Employment Up

15. (U) During his scant two months as Finance Commissioner, Adindu said he had already grown the state's internally generated revenue (IGR) by 27 percent from August through September. He started an innovative program whereby market men and women were encouraged to pay their tax to the market unions which, in turn passed them on to the ministry, retaining a percentage as a commission. He also used radio and television ads, to convince people that the taxes they paid would result in improvements in basic services. The state has also intensified its employment generation drive by giving soft loans to new graduates through microfinance banks. Young graduates are encouraged to register with the Department of Youth Employment Generation under the Ministry of Youth Development after joining cooperatives. Over 700 youths are currently registered with the program, he said.

December Power Plant Start Up To Revive Industry

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16. (U) Adindu told the Consul General that an Independent Power Plant (IPP) operated by Geometric, will come on stream in December 2008. The Aba-located plant will lead to significant development of industries and employment opportunities in the area, Adindu said. The plant will also supply power to Umuahia, the state capital, in the future, which will attract businesses to the capital. According to the Commissioner, improving the state's infrastructure is a major focus of the state government and the success of Geometric is a critical confidence booster. The state plans to build a refinery, new roads and revive old industries, including state-owned poultry, ceramic, brewery and textile companies. The Governor, who articulated a 14-point agenda at his inauguration, plans to create an industrial estate in each of the three senatorial zones of the State.

State Rehabs Water System

17. (U) Abia has an integrated water system, with a network of pipes that carries water between communities. The state coordinates with Local Government Areas (LGA) to assure that where pipe borne water is not available, the LGA sinks boreholes.

State Committed to Stamping Out Piracy at Aba Market

18. (U) Stamping out the production and sale of pirated and counterfeit goods at Aba market is another priority for the government. According to Adindu, the state government is committed to stamping out such activities in the state and would welcome any assistance from the U.S. Government.

State Security to Complement Police

19. (U) Adindu said crime in Abia state is low; criminal kidnappings do, however, happen. This is because the Nigerian Police Force (NPF) is not effective in dealing with perpetrators. As a result, the state government has created its own state security force to work in collaboration with the NPF. Other South-East (SE) states have replicated the force to complement efforts of the NPF. Adindu

said SE states engage retired police officers to train the state security force.

SE States Pull Together to Drive Economic Development

¶10. (U) Adindu opined that, despite the fact that the geopolitical zone is split between states controlled by the Peoples Democratic Party (PDP) and those controlled by opposition parties, there is a lot of collaboration on economic development. The governments are putting aside political differences and partnering to improve the region's economy. All political alliances are reserved strictly for election times, Adindu said, and suggested other regions, such as the South-West, should adopt a similar approach to foster economic development.

State Asks Help with Education for Disabled

¶11. (U) The Commissioner requested U.S. Government assistance in the provision of specialized equipment and reading materials for the education of disabled persons in the state. Poloffs introduced Adindu to Foreign Commercial Service (FCS) and Foreign Agricultural Service Chiefs; FCS will provide information about U.S. sources for Braille and other equipment to Adindu.

¶12. (SBU) Comment: Governor Theodore Orji (People's Progressive Alliance - PPA) is an opposition party governor who undoubtedly hopes to make his mark on the state, and to distinguish himself from the ruling PDP party. Like other governors, Orji is pushing for state-led initiatives to address fundamental problems hampering

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socio-economic development in Nigeria, namely infrastructure, security, and education. For Nigeria, problems persist not for a lack of planning, but because of the unwillingness or inability to implement the plan on the part of the political leadership. At this point, Post defers judgment on Adindu's claims until we have the opportunity to evaluate them on the ground. End Comment.

¶13. (U) This cable has been cleared by Embassy Abuja.
Blair